

# Amid TNK Spat, BP Freezes Rosneft Deal

By [The Moscow Times](#)

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BP will halt a share swap agreement with Rosneft while it resolves a dispute with investors in TNK-BP through arbitration later this month, lawyers for the groups said at a court hearing in London on Tuesday.

The Russian billionaire owners of TNK-BP's requested an injunction halting the swap and Arctic exploration deal between BP and Rosneft.

Justice Michael Burton said both parties had reached an agreement "entirely in accordance with good sense." The BP and Rosneft share swap is frozen and discussions on exploring the Arctic are forbidden until the completion of arbitration, now scheduled for Feb. 25.

The billionaire shareholders, represented by a group called AAR, are demanding that BP present the Rosneft deal to TNK-BP because the 50-50 venture's shareholder agreement gives TNK-BP an exclusive right to pursue new opportunities in Russia on behalf of the London-based company, according to court documents.

BP agreed on Jan. 14 to swap a \$7.8 billion stake in the company for 9.5 percent of Russian state oil producer Rosneft. The two companies also agreed to explore an area of Russia's Arctic waters about the size of the British North Sea.

Meanwhile, according to leaked U.S. cables posted on The Daily Telegraph's web site, Robert Dudley, now chief executive officer of BP, said in 2008 that a deputy to Prime Minister Vladimir Putin may have backed AAR in a battle over the TNK-BP oil venture.

The cables from the U.S. Embassy in Moscow, which were dated July 24, 2008, said AAR appeared to have the cooperation of government officials, including Deputy Prime Minister Igor Sechin, who is also chairman of state-run Rosneft.

"Some people disagree" with the assessment, said Dudley, who was chief executive of TNK-BP at the time, according to the cables.

"Bob Dudley and Igor Sechin have a strong relationship and mutual respect," Vladimir Buyanov, a Moscow-based spokesman for BP, said by e-mail Tuesday. The company couldn't verify the authenticity of the cables, he said.

Rustam Kazharov, a spokesman for Sechin and Rosneft, declined to comment on "unverified information and rumors."

AAR's owners — which include billionaires Mikhail Fridman, German Khan, Viktor Vekselberg and U.S. citizen Leonard Blavatnik — have objected to BP and Rosneft's strategic alliance, saying the deal violates the TNK-BP shareholder agreement and may erode the value of TNK-BP, Russia's third-largest oil producer.

The 2008 dispute may have contributed to the failure of a global venture that state-controlled Gazprom and BP were planning in 2007, according to the cables on the Telegraph's web site. Gazprom spokesman Sergei Kupriyanov didn't answer his phone when called by Bloomberg.

BP also said Tuesday that it is not in "immediate" need of a \$1.8 billion dividend payment from TNK-BP that may be blocked by the dispute over the Rosneft deal. "We were neutral over the payment" of the dividend in any case, Dudley told a news conference Tuesday.

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